

# Public Employee Retirement System

<b>DIVISION SUMMARY:</b>	<b>FY 2001 Total Appr</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Total Appr</b>	<b>FY 2003 Request</b>	<b>FY 2003 Gov Rec</b>	<b>FY 2003 Approp</b>
<b>BY PROGRAM</b>						
Administration	5,449,300	5,383,000	5,260,600	5,576,200	5,461,600	5,461,600
Portfolio Investment	487,900	362,500	645,900	636,000	628,900	628,900
401(k) Administration	7,600	2,200	7,700	7,700	7,700	7,700
Total:	5,944,800	5,747,700	5,914,200	6,219,900	6,098,200	6,098,200
<b>BY FUND SOURCE</b>						
Dedicated	5,944,800	5,747,700	5,914,200	6,219,900	6,098,200	6,098,200
Percent Change:		(3.3%)	2.9%	5.2%	3.1%	3.1%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	2,628,400	2,559,900	3,146,100	3,189,500	3,160,300	3,160,300
Operating Expenditures	3,179,100	3,018,300	2,656,600	2,915,900	2,823,400	2,823,400
Capital Outlay	137,300	169,500	111,500	114,500	114,500	114,500
Total:	5,944,800	5,747,700	5,914,200	6,219,900	6,098,200	6,098,200
Full-Time Positions (FTP)	56.00	56.00	63.00	63.00	63.00	63.00

In accordance with Idaho Code §67-3519, this division is authorized no more than 63.00 full-time equivalent positions at any point during the period July 1, 2002 through June 30, 2003 for the programs specified.

## I. Public Employee Retirement System: Retirement Administration

**STARS Number & Budget Unit:** 183 GVFA

**Bill Number & Chapter:** S1457 (Ch.64)

PROGRAM DESCRIPTION: The Public Employee Retirement System of Idaho (PERSI) administers a defined benefit retirement plan that is mandatory for all eligible state employees, school district employees, and for employees of political subdivisions which have elected to participate. PERSI also administers a defined contribution plan that provides a 401(k) plan to all members who are eligible. In years which investment earnings and total defined benefit plan assets sufficiently exceed one standard deviation reserve, the PERSI board may declare a portion of the excess earnings as gain sharing. When gain sharing is authorized, active members receive their allocation in the form of a transfer into their defined contribution account. Retirees receive a 13th check. Employers receive a credit against future contributions.

<b>PROGRAM SUMMARY:</b>	<b>FY 2001 Total Appr</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Total Appr</b>	<b>FY 2003 Request</b>	<b>FY 2003 Gov Rec</b>	<b>FY 2003 Approp</b>
<b>BY FUND SOURCE</b>						
Dedicated	5,449,300	5,383,000	5,260,600	5,576,200	5,461,600	5,461,600
Percent Change:		(1.2%)	(2.3%)	6.0%	3.8%	3.8%
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	2,349,900	2,300,100	2,718,000	2,772,500	2,747,000	2,747,000
Operating Expenditures	2,975,100	2,932,900	2,449,600	2,703,700	2,614,600	2,614,600
Capital Outlay	124,300	150,000	93,000	100,000	100,000	100,000
Total:	5,449,300	5,383,000	5,260,600	5,576,200	5,461,600	5,461,600
Full-Time Positions (FTP)	53.70	53.70	58.70	59.00	59.00	59.00

<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>
<b>FY 2002 Original Appropriation</b>	<b>58.70</b>	<b>0</b>	<b>5,260,600</b>	<b>0</b>	<b>5,260,600</b>
Expenditure Adjustments	0.30	0	15,700	0	15,700
<b>FY 2002 Estimated Expenditures</b>	<b>59.00</b>	<b>0</b>	<b>5,276,300</b>	<b>0</b>	<b>5,276,300</b>
Base Adjustments	0.00	0	0	0	0
Removal of One-Time Expenditures	0.00	0	(137,000)	0	(137,000)
<b>FY 2003 Base</b>	<b>59.00</b>	<b>0</b>	<b>5,139,300</b>	<b>0</b>	<b>5,139,300</b>
Personnel Cost Rollups	0.00	0	13,300	0	13,300
Replacement Items	0.00	0	100,000	0	100,000
Nonstandard Adjustments	0.00	0	91,500	0	91,500
<b>FY 2003 Maintenance (MCO)</b>	<b>59.00</b>	<b>0</b>	<b>5,344,100</b>	<b>0</b>	<b>5,344,100</b>
1. Technology Improvements	0.00	0	117,500	0	117,500
<b>FY 2003 Total Appropriation</b>	<b>59.00</b>	<b>0</b>	<b>5,461,600</b>	<b>0</b>	<b>5,461,600</b>
Change From FY 2002 Original Approp.	0.30	0	201,000	0	201,000
% Change From FY 2002 Original Approp.	0.5%		3.8%		3.8%

APPROPRIATION HIGHLIGHTS: Personnel benefit costs were funded. No inflationary increases were funded. No funding for Change in Employee Compensation (CEC) was provided, but agencies may fund state employee compensation increases from salary savings. Replacement items include funding for computers, hardware, printers, fax machines and office furniture. Non-Standard Adjustments reflect interagency billing changes and postage expenses. One program enhancement was funded for technology improvements.

<b>FY 2003 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
D 0550-01 PERSI Administrative	59.00	2,747,000	2,504,600	0	0	0	5,251,600
OT D 0550-01 PERSI Administrative	0.00	0	110,000	100,000	0	0	210,000
Totals:	59.00	2,747,000	2,614,600	100,000	0	0	5,461,600

## II. Public Employee Retirement System: Portfolio Investment

**STARS Number & Budget Unit:** 183 GVFB, 183 GVFC(Cont), 183 GVFD(Cont)

**Bill Number & Chapter:** H451 (Ch.18), S1457 (Ch.64)

PROGRAM DESCRIPTION: The Portfolio Investment program manages PERSI assets to realize secure long-term returns on investments while minimizing risk with a goal of providing the funds necessary to meet retirement plan obligations. Since FY 1996, the administrative costs of the Portfolio Investment Program are appropriated annually, while the remaining investment costs operate under a perpetual appropriation (Idaho Code §59-1311).

<b>PROGRAM SUMMARY:</b>	<b>FY 2001 Total Appr</b>	<b>FY 2001 Actual</b>	<b>FY 2002 Total Appr</b>	<b>FY 2003 Request</b>	<b>FY 2003 Gov Rec</b>	<b>FY 2003 Approp</b>
<b>BY FUND SOURCE</b>						
Dedicated	487,900	362,500	645,900	636,000	628,900	628,900
Percent Change:		(25.7%)	78.2%	(1.5%)	(2.6%)	(2.6%)
<b>BY EXPENDITURE CLASSIFICATION</b>						
Personnel Costs	278,500	259,800	428,100	417,000	413,300	413,300
Operating Expenditures	196,400	83,200	199,300	204,500	201,100	201,100
Capital Outlay	13,000	19,500	18,500	14,500	14,500	14,500
Total:	487,900	362,500	645,900	636,000	628,900	628,900
Full-Time Positions (FTP)	2.30	2.30	4.30	4.00	4.00	4.00

<b>DECISION UNIT SUMMARY:</b>	<b>FTP</b>	<b>General</b>	<b>Dedicated</b>	<b>Federal</b>	<b>Total</b>
<b>FY 2002 Original Appropriation</b>	<b>3.30</b>	<b>0</b>	<b>572,600</b>	<b>0</b>	<b>572,600</b>
1. Fund Investment Officer	1.00	0	73,300	0	73,300
<b>FY 2002 Total Appropriation</b>	<b>4.30</b>	<b>0</b>	<b>645,900</b>	<b>0</b>	<b>645,900</b>
Expenditure Adjustments	(0.30)	0	(15,700)	0	(15,700)
<b>FY 2002 Estimated Expenditures</b>	<b>4.00</b>	<b>0</b>	<b>630,200</b>	<b>0</b>	<b>630,200</b>
Base Adjustments	0.00	0	0	0	0
Removal of One-Time Expenditures	0.00	0	(18,500)	0	(18,500)
<b>FY 2003 Base</b>	<b>4.00</b>	<b>0</b>	<b>611,700</b>	<b>0</b>	<b>611,700</b>
Personnel Cost Rollups	0.00	0	900	0	900
Replacement Items	0.00	0	14,500	0	14,500
Nonstandard Adjustments	0.00	0	1,800	0	1,800
<b>FY 2003 Total Appropriation</b>	<b>4.00</b>	<b>0</b>	<b>628,900</b>	<b>0</b>	<b>628,900</b>
Change From FY 2002 Original Approp.	0.70	0	56,300	0	56,300
% Change From FY 2002 Original Approp.	21.2%		9.8%		9.8%

SUPPLEMENTAL: H451 authorized 1 FTP and provides \$73,300 in ongoing dedicated funds for a fund investment officer position.

APPROPRIATION HIGHLIGHTS: Personnel benefit costs were funded. No inflationary increases were funded. No funding for Change in Employee Compensation (CEC) was provided, but agencies may fund state employee compensation increases from salary savings. Replacement items include funding for a computer, printer and fax machine. Nonstandard adjustments reflect interagency billing changes.

<b>FY 2003 APPROPRIATION:</b>	<b>FTP</b>	<b>Pers. Cost</b>	<b>Oper Exp</b>	<b>Cap Out</b>	<b>T/B Pymnts</b>	<b>Lump Sum</b>	<b>Total</b>
D 0550-02 PERSI Special	4.00	413,300	201,100	0	0	0	614,400
OT D 0550-02 PERSI Special	0.00	0	0	14,500	0	0	14,500
Totals:	4.00	413,300	201,100	14,500	0	0	628,900

### III. Public Employee Retirement System: 401(k) Administration

**STARS Number & Budget Unit:** 183 GVFE

**Bill Number & Chapter:** S1457 (Ch.64)

PROGRAM DESCRIPTION: During FY 1995 the Public Employee Retirement System of Idaho (PERSI) began administering a 401(k) program for employees of the Department of Health and Welfare and the Department of Lands. Legislation enacted in the 1995 session allowed PERSI to expand the offering of a 401(k) program to all state employees beginning in FY 1996. This 401(k) program provides a voluntary retirement savings plan for all state employees. Benefits include tax deferral, investment flexibility, and automatic payroll deductions. Currently \$2 of the \$12 annual membership fee is used by PERSI to administer the program. The plan provider, Scudder Investment Services, receives the other \$10 for trust and reporting services. This plan was merged with the Choice Plan effective October 1, 2001.

PROGRAM SUMMARY:		FY 2001 Total Appr	FY 2001 Actual	FY 2002 Total Appr	FY 2003 Request	FY 2003 Gov Rec	FY 2003 Approp	
BY FUND SOURCE								
Dedicated	7,600	2,200	7,700	7,700	7,700	7,700		
Percent Change:		(71.1%)	250.0%	0.0%	0.0%	0.0%		
BY EXPENDITURE CLASSIFICATION								
Operating Expenditures	7,600	2,200	7,700	7,700	7,700	7,700		
DECISION UNIT SUMMARY:		FTP	General	Dedicated	Federal	Total		
FY 2002 Original Appropriation		0.00	0	7,700	0	7,700		
FY 2003 Base		0.00	0	7,700	0	7,700		
FY 2003 Total Appropriation		0.00	0	7,700	0	7,700		
Change From FY 2002 Original Approp.		0.00	0	0	0	0		
% Change From FY 2002 Original Approp.				0.0%		0.0%		
FY 2003 APPROPRIATION:		FTP	Pers. Cost	Oper Exp	Cap Out	T/B Pymnts	Lump Sum	Total
D 0550-04 PERSI 401(k) Admin.		0.00	0	7,700	0	0	0	7,700